

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
PAINT BRUSH HILLS METROPOLITAN DISTRICT
HELD
APRIL 20, 2017**

A Regular Meeting of the Board of Directors of the Paint Brush Hills Metropolitan District (referred to hereafter as the "Board") was held on Thursday, the 20th day of April, 2017, at 7:00 p.m. at the Paint Brush Hills Metropolitan District Office, 9830 Liberty Grove Drive, Falcon, Colorado 80831. The meeting was open to the public.

ATTENDANCE

Directors in Attendance Were:

Kim Griffin
Calvin Pollard
John Bruszenski
Doug Burrer (for a portion of the meeting)
Chris Olney

Also in Attendance Were:

Casey K. Lekahal, Esq., White Bear Ankele Tanaka & Waldron (via speakerphone)
Gary Dickinson, RG & Associates, Inc. (for a portion of the meeting)
Leon Gomes, District Manager

The names of the members of the public who were in attendance appear on the attached Board Meeting Attendance form.

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Gomes noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. Mr. Gomes also noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were noted.

**ADMINISTRATIVE
MATTERS**

Agenda: Mr. Gomes reviewed the proposed agenda for the District's Special Meeting. Mr. Gomes requested that the following matters be added to the Agenda:

- 3.1 Discuss Gallagher Amendment and Impact on District Revenues.
- 4.1.1 Discuss and consider Change Requests

- 4.1.1.1 Change Order #8 – Change Service to Single Phase - \$16,432
- 4.1.1.2 Change Order #9 – Provide and install roll up door - \$2,255
- 4.1.1.3 Change Order #10 – Provide Additional Concrete Curb - \$2,263
- 4.1.1.4 Change Order #11 – Modify Fence Scope - \$14,952

Following discussion, upon motion duly made by Director Griffin, seconded by Director Pollard and, upon vote, unanimously carried, the Agenda was approved as amended.

Public Comment:

George Cerbasi: Mr. Cerbasi noted that there have been two water main breaks in within close proximity along Londonderry Drive. He asked if there was a problem with the water main that may require the replacement of the entire water main along Londonderry Drive. Mr. Gomes responded that although there have been two water main breaks in this area within a relatively short time period, there had not been a water main on Londonderry Drive prior to these for quite some time.

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager’s Report (enclosure).
- Acknowledge Staff Report (enclosure).
- Acknowledge Operations Report (enclosure).
- Approve Minutes of the March 2 2017 Special Meeting (enclosure).
- Accept Engineer’s Report (enclosure).
- Approve First Addendum to Independent Contractor Agreement (Field Mowing) between Christopher Jilek and the District (enclosure).
- Approve/ratify Independent Contractor Agreement (Tree Planting Services) between Skyline Tree Planting LLC and the District (enclosure).
- Approve Seventh Addendum to Independent Contractor Agreement (District Engineering Services) between RG & Associates LLC and the District (enclosure).
- Review and ratify the payment of claims for the period ending March 15, 2017 as follows (enclosure):

Source Fund	Amount
General Fund	\$ 7,045.79
Capital Project Fund	\$144,578.85
Enterprise Fund	\$ 18,943.55
Total	\$170,568.19

- Review and ratify the payment of claims for the period ending March 30, 2017 as follows (enclosure):

Source Fund	Amount
General Fund	\$2,985.71
Capital Project Fund	\$30,764.11
Enterprise Fund	\$18,026.31
Subdistrict A	\$10,975.00
Total	\$62,751.13

- Review and approve the payment of claims for the period ending April 20, 2017 as follows (to be distributed):

Source Fund	Amount
General Fund	\$4,377.37
Capital Project Fund	\$209,876.38
Enterprise Fund	\$22,675.59
Subdistrict A	\$310.25
Total	\$237,433.54

Upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the Consent Agenda.

LandTech Contractors, Inc. Independent Contractor Agreement:

Mr. Gomes presented the Independent Contractor Agreement for Landscape Maintenance between LandTech Contractors, Inc. and the District. He noted that the District received four proposals from landscape contractors and that proposals were reviewed with Director Pollard. Following review, the recommendation is to approve the Agreement with LandTech Contractors, Inc.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Olney and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement for Landscape Maintenance between LandTech Contractors, Inc. and the District.

Strategic Planning Facilitation Proposal: Mr. Gomes presented a proposal Communicate Colorado LLC to facilitate strategic planning sessions to include the Board and District staff.

Following discussion, by consensus, the Board chose to defer this matter as part of the development of the 2018 Budget.

Cancellation of June 15, 2017 Regular Meeting and Scheduling of Special Meeting: Mr. Gomes noted that the move to the District's Administration and Maintenance Building is scheduled on June 16, 2017. As a result, the current District Office will be prepared for this move by June 15, 2017, the date of the Regular Meeting.

Following discussion, by consensus, the Board canceled the June 15, 2017 Regular Meeting and scheduled a Special Meeting on Thursday, June 22, 2017 7:00 PM. Further, the Board scheduled the dedication of the Administration and Maintenance Building on Thursday, June 22, 2017 5:30 PM.

Londonderry School Will-Serve Letter: Mr. Gomes presented a Will-Serve Letter concerning the Londonderry School to be constructed by Falcon School District 49 on Tract B, Paint Brush Hills Filing 13A. He noted that the District's engineer had determined that the District has the ability to serve this site based sixteen single-family equivalents relative to the proposed three-inch water service connection and sanitary sewer service to this site.

Following discussion, upon motion duly made by Director Olney, seconded by Director Bruszenki and, upon vote, unanimously carried, the Board approved the issuance of a Will-Serve Letter to Falcon School District 49 for potable water and sanitary sewer services to Tract B, Paint Brush Hills Filing 13A.

FINANCIAL MATTERS

2017 Budget Priorities: Mr. Gomes reviewed the updated 2017 Budget Priorities with the Board.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Pollard and, upon vote, unanimously carried, the Board accepted the updated 2017 Budget Priorities.

Resolution 2017-04-01: Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties, and Charges for Water and Sewer Services and Facilities: Mr. Gomes review the proposed Fee Schedule known as "Exhibit A" by attachment to Resolution 2017-04-01: Amended and Restated Resolution

Concerning the Imposition of Various Fees, Rates, Penalties, and Charges for Water and Sewer Services and Facilities. He noted that there were concerns previously mentioned regarding the meter re-read fee. Mr. Gomes explained that the meter re-read fee would be assessed only when a customer has disputed the correctness of a meter read and, upon re-reading the meter at the customer's request, it is determined that the disputed meter read is correct. The Board requested that a customer requesting a meter read be informed of the meter re-read fee and its conditions prior to conducting a meter re-read.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Olney and, upon vote, unanimously carried, the Board adopted Resolution 2017-04-01: Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties, and Charges for Water and Sewer Services and Facilities.

LEGAL MATTERS

Gallagher Amendment and Its Impact on District Revenues: Attorney Lekahal notified the Board that Residential Assessment Rate (RAR) proposed to the Colorado Legislature was revised to 7.2%. The Department of Local Affairs had determined a preliminary RAR of 6.56%. The current RAR is 7.96%.

ENGINEER MATTERS

Update on Progress of District Office & Shop Project: Mr. Dickinson reported that during the last two months, Copestone and their subcontractors have made substantial progress on this project. Since February 1, 2017, the frost was thawed for the entire foundation, then it's backfill was completed both inside and outside. After the sill plates were installed, the framing subcontractor moved in and quickly completed the framing for the shear walls and exterior walls. On February 17, the roof trusses were erected.

The Electricians and Plumbers moved onsite, and began the installation of under-slab conduit and piping. Copestone added exterior sheathing to the exterior walls; due to this effort, the interior of the structure became very dark, so temporary lighting was added to aid in the construction effort. Copestone also added concrete blankets at all the doors and window openings to keep the interior warm.

On March 03, the Building slab was placed using a portable concrete pump. The concrete was tested and approved by Kumar and Associates to be within specification, and the low-air mix was poured and finished. The construction then focused on completing the interior walls, then rough electrical and rough plumbing was quickly added. On 03-10-17, the HVAC contractor started construction of the interior ductwork. By

3/13 Electricians, Plumbers, Mechanical and Window crews were all onsite working at the same time. Construction continued with other items such as window and door frames, the canopy structure, exterior metal soffit, and Conference room soffit.

Up this time, the project schedule was within 3-4 days of the master schedule. We have recently been advised by the Electric Utility that they will not be able to install a power pole and a secondary transformer until mid-May or later which may seriously affect completion of the project. The project team has been working together to continue completion of other work, both on and off the critical path.

Change Orders 8 through 11: Change Orders 1 through 7 were presented to the Board for its consideration. Mr. Dickinson and Mr. Gomes recommended the approval of Change Orders 8, 9, 10 & 11.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Olney and, upon vote, unanimously carried, the Board approved Change Orders 1, 2, 3, 5, 6 & 7 as follows:

- Change Order #8 – Change Service to Single Phase - \$16,432
- Change Order #9 – Provide and install roll up door - \$2,255
- Change Order #10 – Provide Additional Concrete Curb - \$2,263
- Change Order #11 – Modify Fence Scope - \$14,952

Well #1 Analysis and Rehabilitation: Mr. Dickinson reported that work is progressing on Well# 1 taste and odor treatment issues and automatic bypassing pumping configurations. It is looking likely that the building will have to be enlarged.

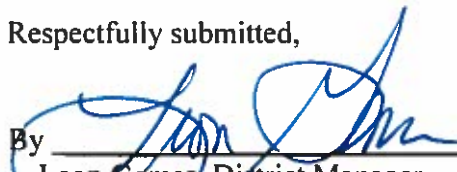
EMPLOYMENT MATTERS

Revised Office Assistant Position Description: Mr. Gomes presented a revised position description for Office Assistant for Board consideration. Director Bruszenski stated that that there should be some additional requirements included in the position description and requested that this matter be deferred to the May 18, 2017 Regular Meeting to permit him to discuss the position description with Mr. Gomes.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Bruszenski seconded by Director Griffin and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By 
Leon Gomes, District Manager
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 20, 2017 REGULAR MEETING MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Kim Griffin



Calvin Pollard



Doug Butrer



John Bruszenski



Chris Olney